

# Washington State Lean Symposium April, 2012

Sammy Obara

Darril Wilburn

[d.wilburn@honsha.org](mailto:d.wilburn@honsha.org)

210-287-0365



**Automakers**

Over

150

**Banks**

certified Honsha Academy

**Kaizen Culture**

Our experience, will help you improve operation performance.

17

proven curriculum

Implementation in

20

countries



**Schools**

**honsha™**

TM

**Hospitals**

**Military**

More than

300

companies helped

**Food and Beverage**

**Consulting firms**

Over

60

senior associates

**Humanitarian missions**

**Aeronautics**

**Entertainment**

Over

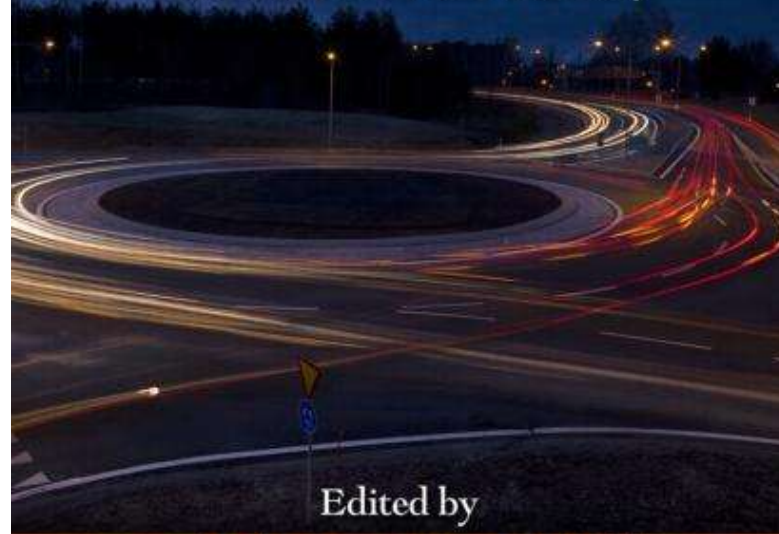
80,000

people trained



# TOYOTA by TOYOTA

Reflections from the Inside Leaders  
on the Techniques that  
Revolutionized the Industry



Edited by  
**Samuel Obara and Darril Wilburn**



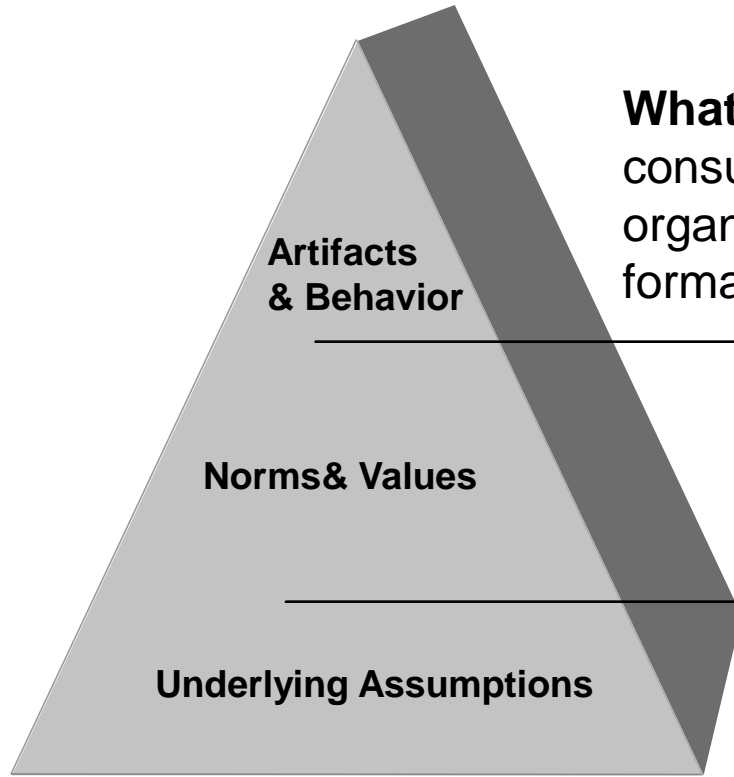
CRC Press  
Taylor & Francis Group

A PRODUCTIVITY PRESS BOOK

# Agenda

- Introductions
- Lean Culture
- Lean Purpose
- Lean Principles
- Everyday Improvement/Involvement
- Lean Business Practice
- Lean Leadership

# Three Levels of Culture



**What we see**, what a newcomer, visitor or consultant would notice (e.g., dress, organization charts, physical layout, degree and formality, logos, and mission statement.

**What they say**, What we would be told is the reason things are the way they are and should be. Company philosophy, norms and justifications.

**What they may not even realize**, Unconscious, taken for granted beliefs about the organization and its work/purpose, about people, rewards etc.

Based on Edgar Schein, "Coming to a new awareness of organizational culture," pp. 375-390 in J.B. Lau and A.B. Shani, *Behavior in Organizations*, Irwin, 1988

# Every Lean Organization Must Address

- **Purpose** – Provide **value to customers and society** in order to prosper.
- **Process** – Through smoothly **flowing value streams** for design, make, and use.
- **People** – By **engaging every** employee touching value streams (including support streams) **to sustain and improve** the flow.



# Lean Leadership

From managing the numbers to managing the process and leading the people.

- Lean Leaders, like leaders anywhere, want to see measurable results.
  - But they know that good financials are a result of dedication to process.
  - They also realize that the financial **results reflect the past performance** of that process.
- **Far better is to create a process that can be managed correctly NOW.**

Impact



**Traditional**

**TRANSFORMATION** of *RESULTS* and *PEOPLE*

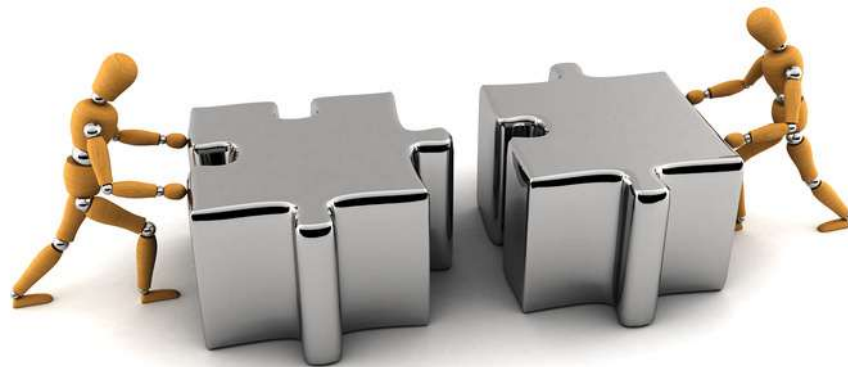
**Lean Management**





# Lean Core Competencies

- What kind of people does it take to build this culture?



# Identifying Lean Core Competencies

- Thinking and Operational Abilities
  - Grasp the Situation
  - Problem Solving
  - Process Management
  - Organizational Perspective
  - Development
  - Operational and Technical Skills

# Identifying Lean Core Competencies

- Leadership and Teamwork Abilities
  - Coordinate and communicate
  - Collaborate and Cooperate
  - Initiate and Influence
  - Build and Maintain Relationships

## Government Shutdown 2011: 'Non-Essential' Employees May Have to Turn In BlackBerrys

Congressional Offices Prepare for Looming Shutdown

BY AMY BINGHAM  
April 8, 2011



## Obama says shutdown would be 'inexcusable'

The Washington Post

## Washington state deficit grows by nearly \$700 million

Economic forecast "clouded" by global turmoil

March 17, 2011



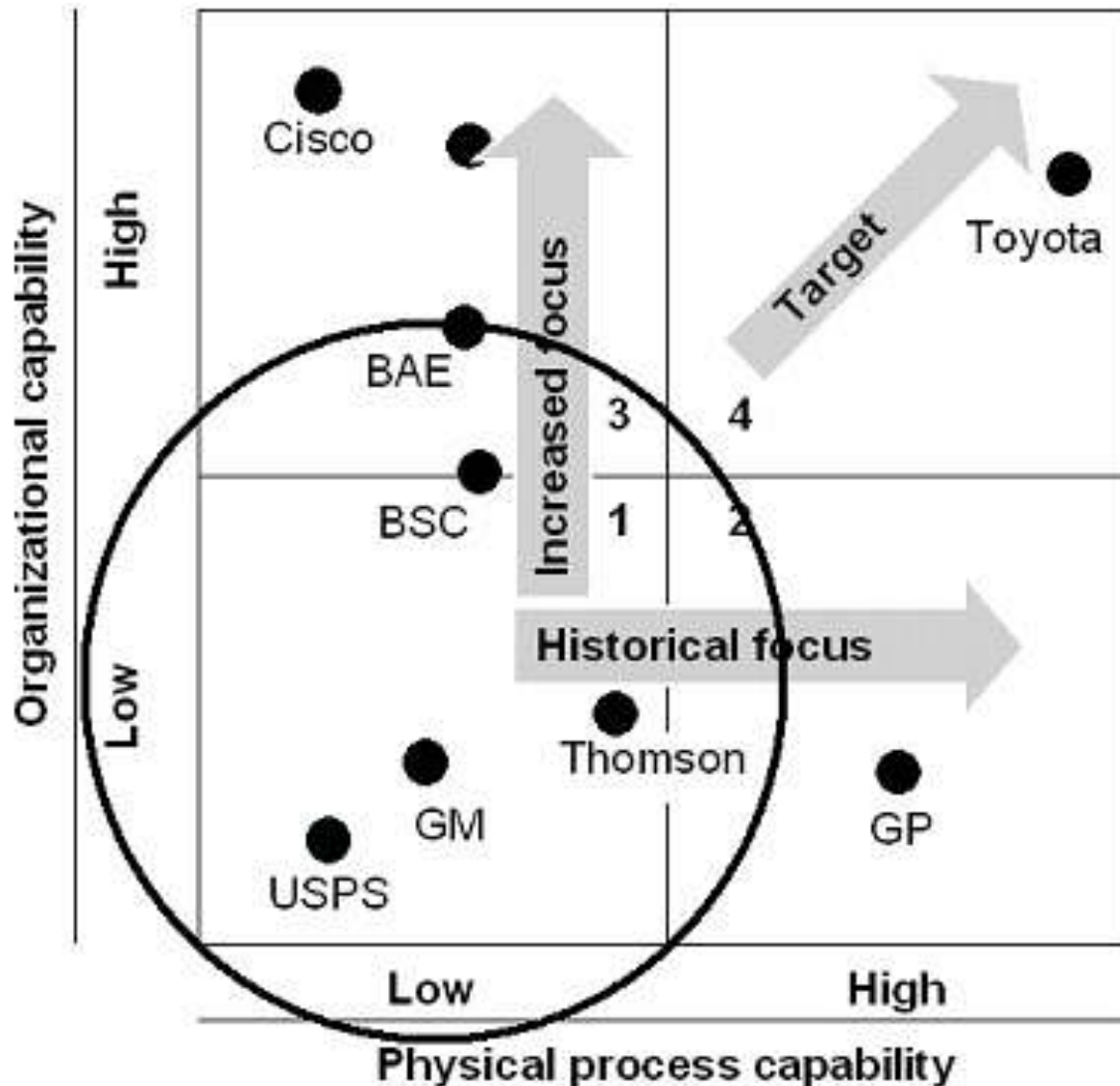
The Columbian

February 19, 2009 in Region

## Washington state deficit will top \$8 billion

**THE SPOKESMAN-REVIEW**

June/2000

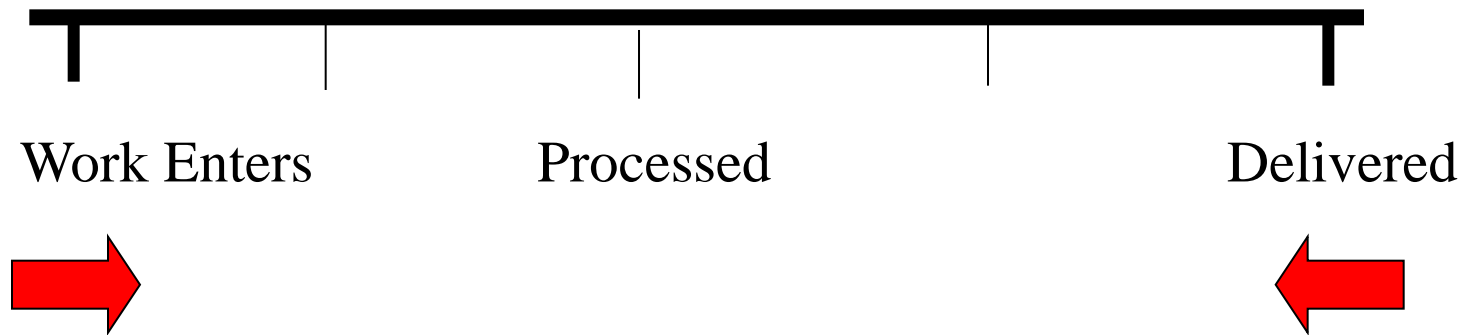


- Must increase focus on organizational capability building
- More awareness of a company's organizational capability will allow for a more effective engagement structure and success

# Lead Time

*"The only thing we are doing is reducing the lead time line"*

Taiichi Ohno



**How?**

# MYTH #1

TPS/LEAN IS GOOD FOR  
TOYOTA ONLY



1900

1980

1990

2000

2008

**TOYOTA**

**Automotive**

**Auto parts**

**Mass manufacturing shops**

**Food and beverage**

**Hi tech**

**Retail**

**Restaurant chains**

**Health care**

**Schools**

**Military**

**Pharmaceutical**

**Financial services**

**Entertainment**

# Toyota gives Virginia Mason docs a lesson in lean

At Virginia Mason Medical Center, doctors are required to understand firsthand how Toyota manufactures cars.

First, Virginia Mason's senior executives traveled to Japan to work on Toyota's manufacturing floor. Then a contingent of doctors and managers did the same thing.

## Maximizing Hospital Outcomes with Tips from Toyota: Using Less to Do More



Virginia Mason Medical Center has incorporated its own philosophy by taking a page from Toyota's manufacturing system. The goal: to gain a quality, safety, and performance edge. Can the plan work in your institution?

"We've done two trips to Japan, and will do another in the near future," said Virginia Mason's CEO, Dr. Gary Kaplan.

It's all about learning the techniques of what's called "lean manufacturing," and then applying them to health care.

"Lean" means doing without what's not needed, said VM president Mike Rona. "It's taking out the unnecessary stuff in processes," so that everything's more efficient.

"Eliminating waste, things that add no value, that's what this is about," said Kaplan, who sometimes refers to Virginia Mason not as a

hospital and clinic network but as "the company."

According to mathematician and consultant W. Edwards Deming, as much of 40 percent of a company's expenses result from waste -- systems and processes that are poorly designed, Kaplan said.

Waste and the quality of health care are linked, Kaplan said. Waste is directly related to low patient and employee satisfaction, poor customer service and errors in medical treatment.

Virginia Mason's been working to eliminate waste in all its forms during the past few years. It's paid off.

The dollar value of respiratory-care inventory supplies, for instance, has been slashed 45 percent. Savings on space have accrued as well.

Radiation oncology staff cut the time from patient check-in to leaving the department from 42 minutes to 15.



*Spanish clothier Zara turns the rules of supply chain management on their head. The result? A superresponsive network and profit margins that are the envy of the industry.*

## Rapid-Fire Fulfillment

by Kasra Ferdows, Michael A. Lewis,  
and Jose A.D. Machuca

**Amancio Ortega > Near Bankrupt '75 > Over 600 stores . 50 countries > Over 20% annual growth > Consistent over 10% net margin on sales > 5 fingers on customers and 5 on the factory.**



# THE WORLD'S MOST ADMIRABLE COMPANIES



1. General Electric
2. Toyota
3. Procter & Gamble
4. FedEx
5. Johnson & Johnson
6. Microsoft
7. Dell
8. Berkshire Hathaway
9. Apple Computer
10. Wal-Mart

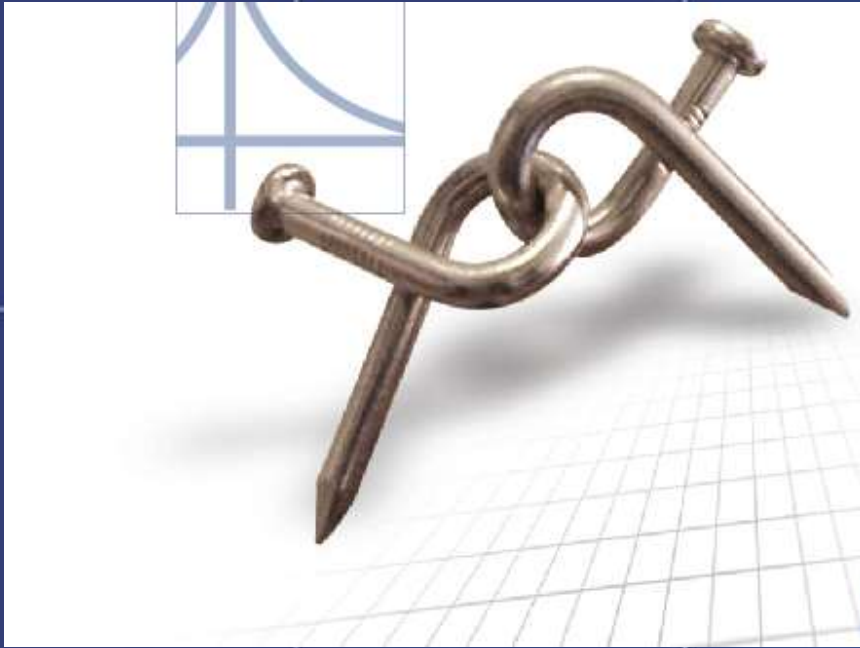
■ Toyota hopes its full-sized truck, the Tundra, will lead a category dominated by Detroit.

**No surprise here: General Electric** is the World's Most Admired Company—for the sixth time in eight years. But the breakout performer on our global list is Toyota. By rising three spots to replace Wal-Mart as No. 2, Toyota became the highest-ranking non-U.S. company in the nine-year history of the international Most Admired list. Japan's top carmaker is churning out profits in a tough industry, earning \$11.4 billion in 2005—more than the next 12 carmakers combined. By the end of 2006, Toyota is set to overtake GM as the world's biggest producer of cars and trucks.

As in past years, the global list was dominated by American companies, which took 16 out of the top 20 positions and 32 of 50 overall. The survey's 8,645 executives, directors, and analysts in 23 countries and at 351 companies (211 outside the U.S.) rewarded companies that delivered results. Europe's top company, BMW (No. 13), is the world's luxury-car leader—overall sales volume grew 5.5% to set a new record. Singapore Airlines (No. 19) jumped nine spots. Nokia hung in there at No. 20, making it the highest-ranking telecom company. And South Korean consumer electronics leader Samsung (No. 27) jumped 12 spots. For the first time that put it ahead of archrival Sony, which fell 19 places to No. 34. — *Telis Demos*

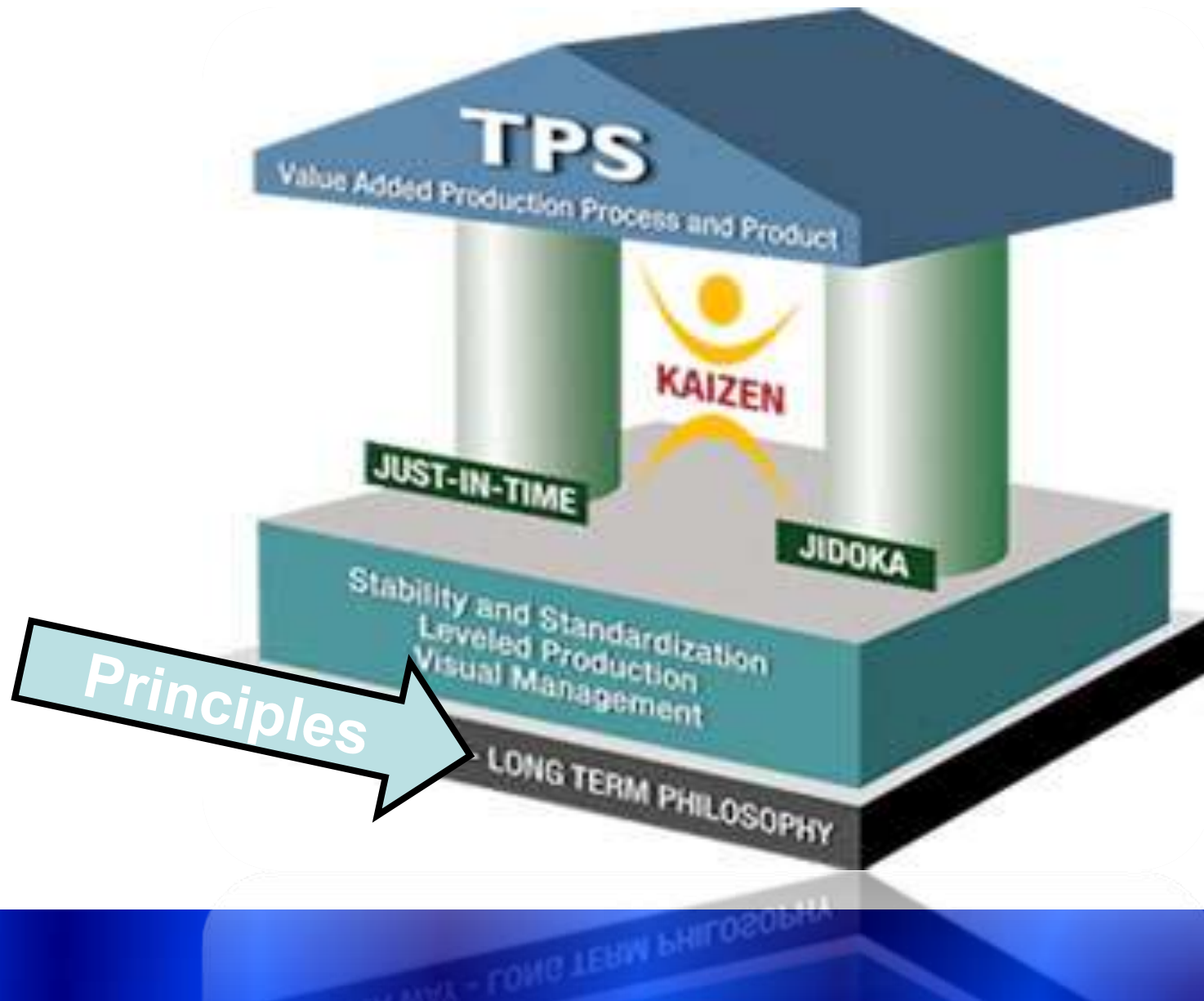
# MYTH #1

TPS/LEAN IS GOOD FOR  
~~TOYOTA ONLY~~



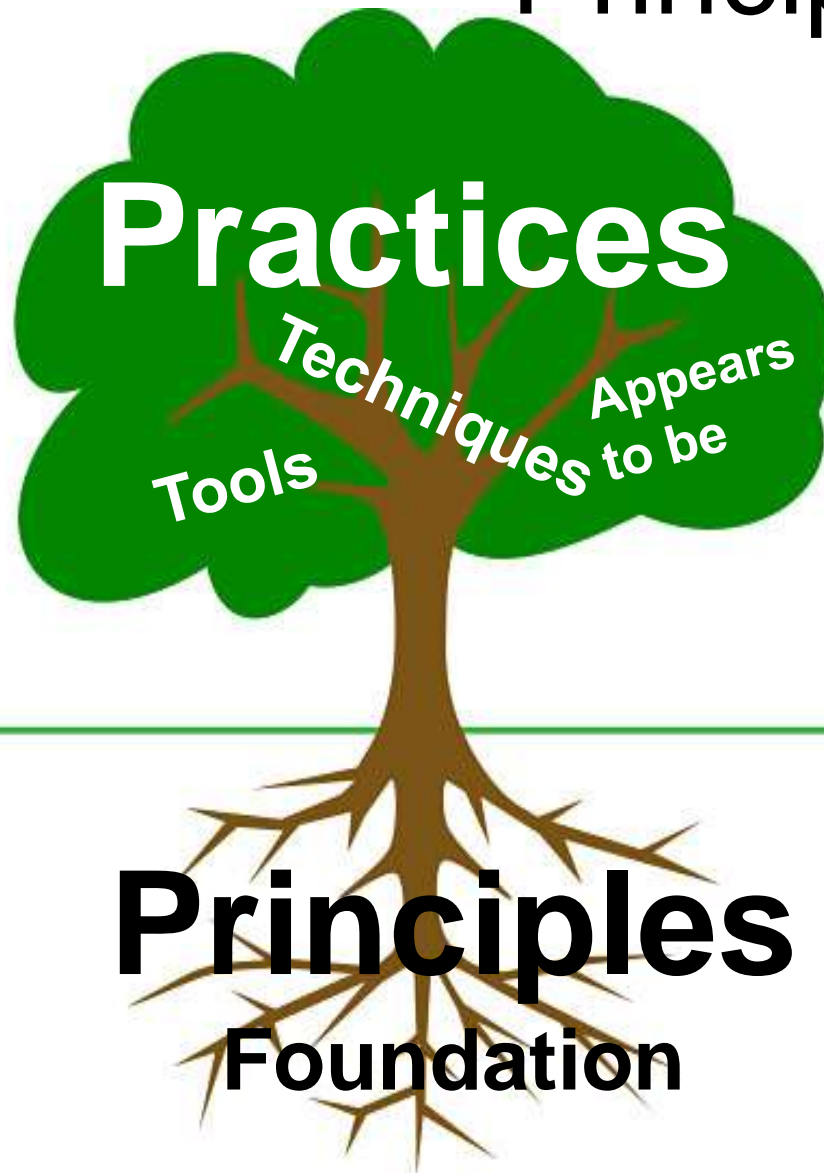
# Lean Principles

# House of Lean





# Principles



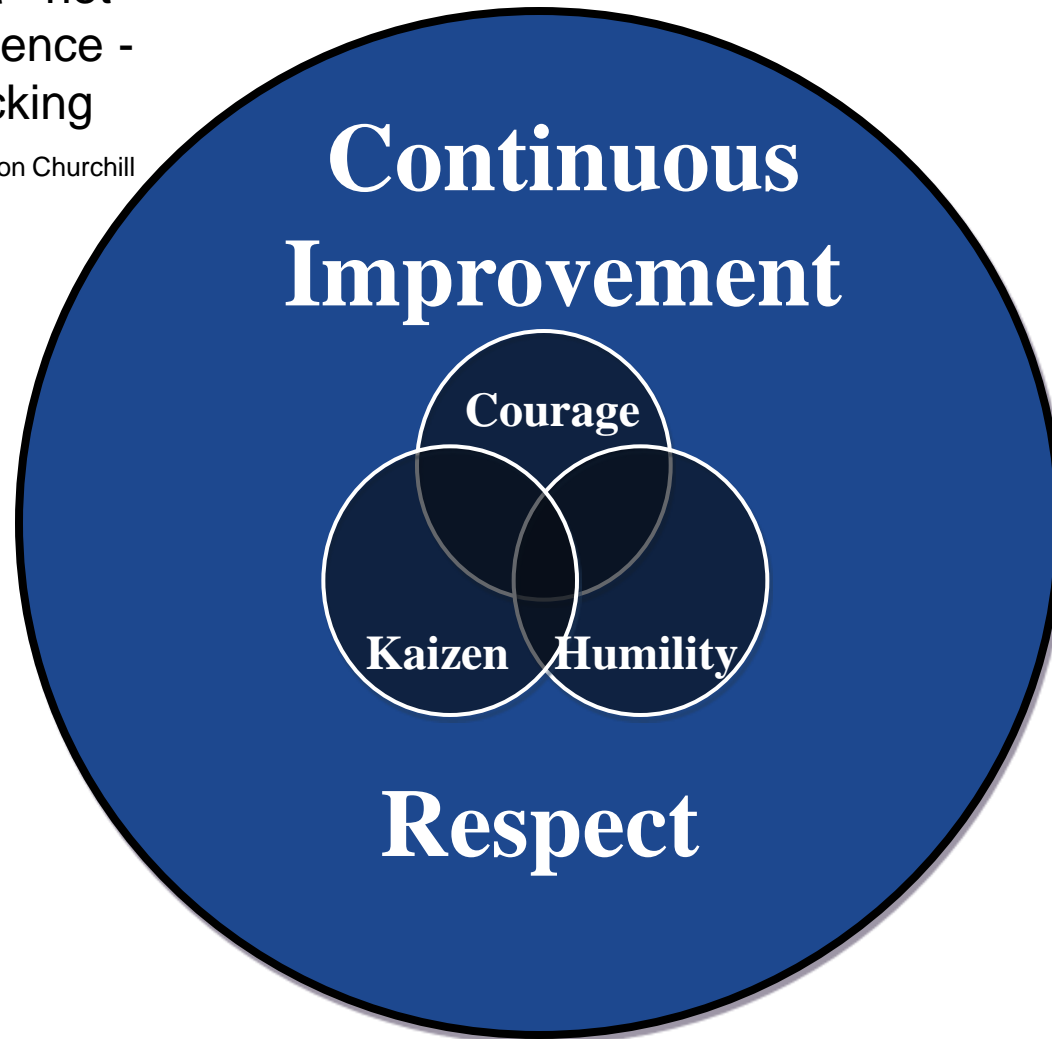
Practices are most visible therefore many adopt tools, techniques but fail to discover the Principles which are hidden



**Principles Drive the Practices**

# Lean Foundation Principles

“Continuous effort - not strength or intelligence - is the key to unlocking our potential.” Winston Churchill



# Courage

- We form a long term vision meeting challenges with courage and resourcefulness to realize our vision.

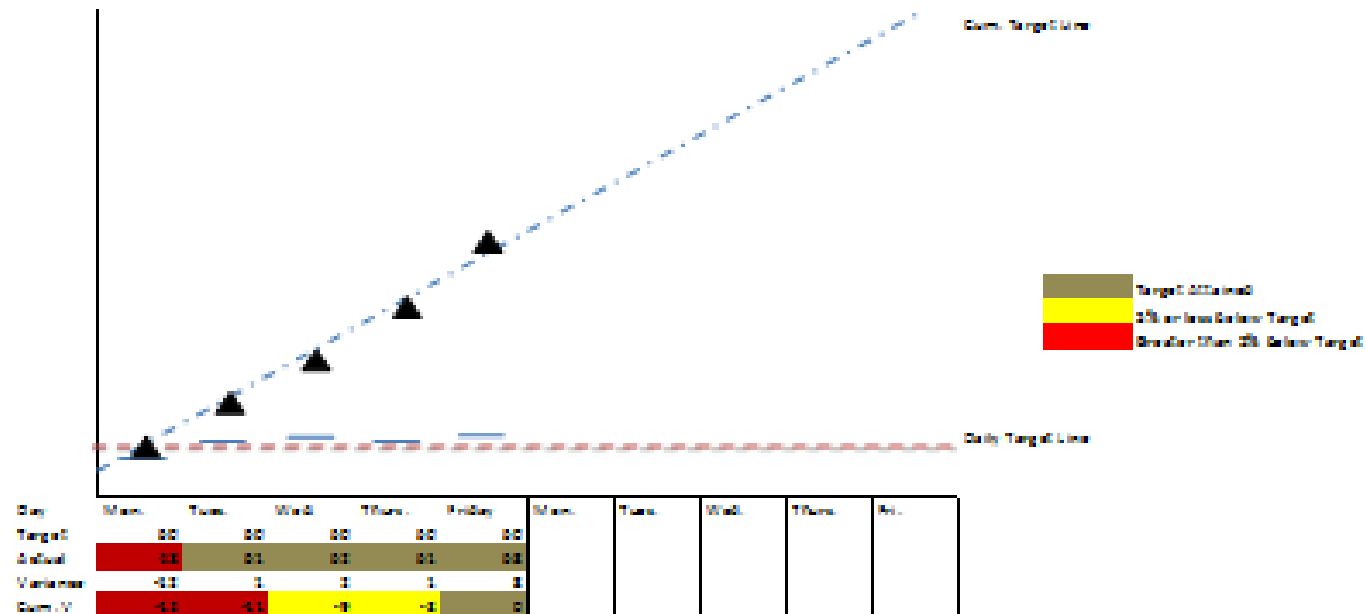


# Courage- Spirit of Challenge

- “My father was not educated. The only strength he had was to believe in one thing all the way: that the (people) have latent capabilities.” Kiichiro Toyoda

# Courage- Visual Work Place

Team Visual Production Board (Draft)



# Humility

- We are humble.
- We don't assume we understand so we go to the source to find facts to make correct decisions, to build shared understanding and **quickly** achieve our goals.
- Genchi Genbutsu-Go and See



# Kaizen

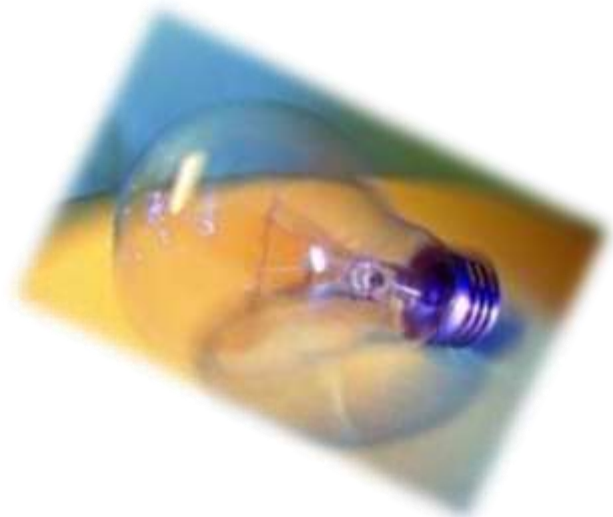
- We improve our business operations continuously, always driving for innovation.





# Kaizen-Kaizen Mind

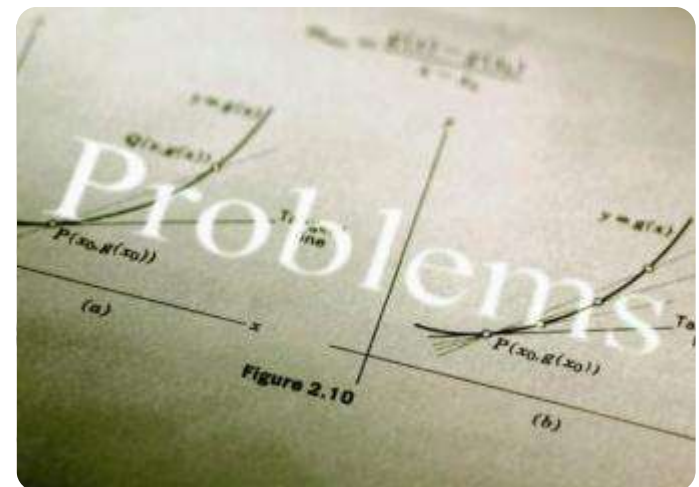
- “Kaizen activities are the incubator of innovation. This is because Kaizen activities create an atmosphere of accepting change.” Akira Takahashi



# Kaizen-Build Lean Systems and Structures

## Revealing Problems/Jidoka

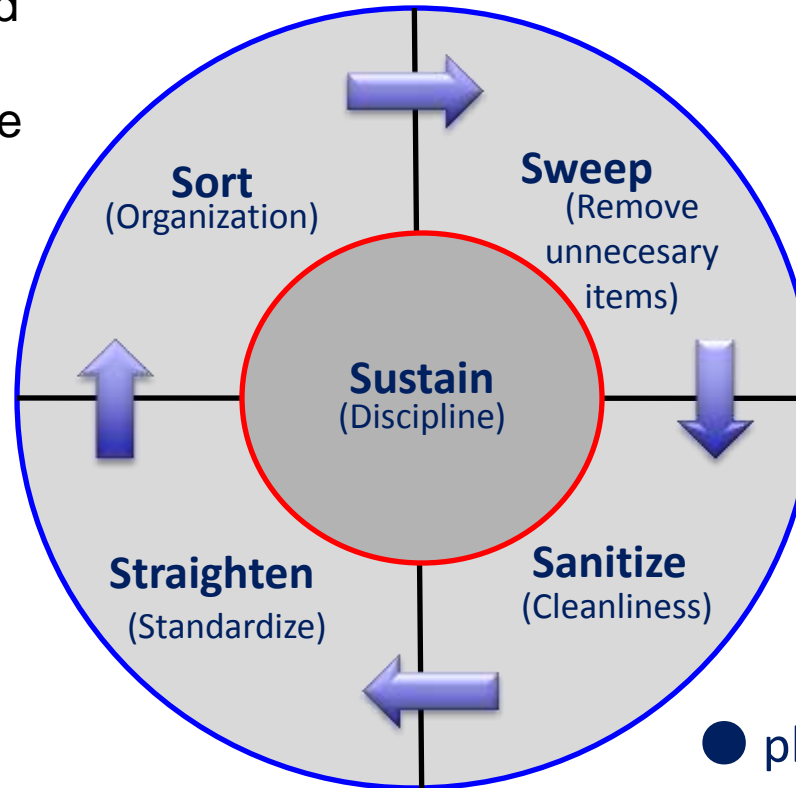
- “We train our team members to expose problems, so they can be solved.” Alex Warren



# Kaizen-Revealing Problems

## 5S

- A process designed to organize, clean and standardize the workplace, and instill the discipline required to keep it that way.



- What is the Purpose of 5-S?

● remove what is not needed

● place the necessary items at the point of use

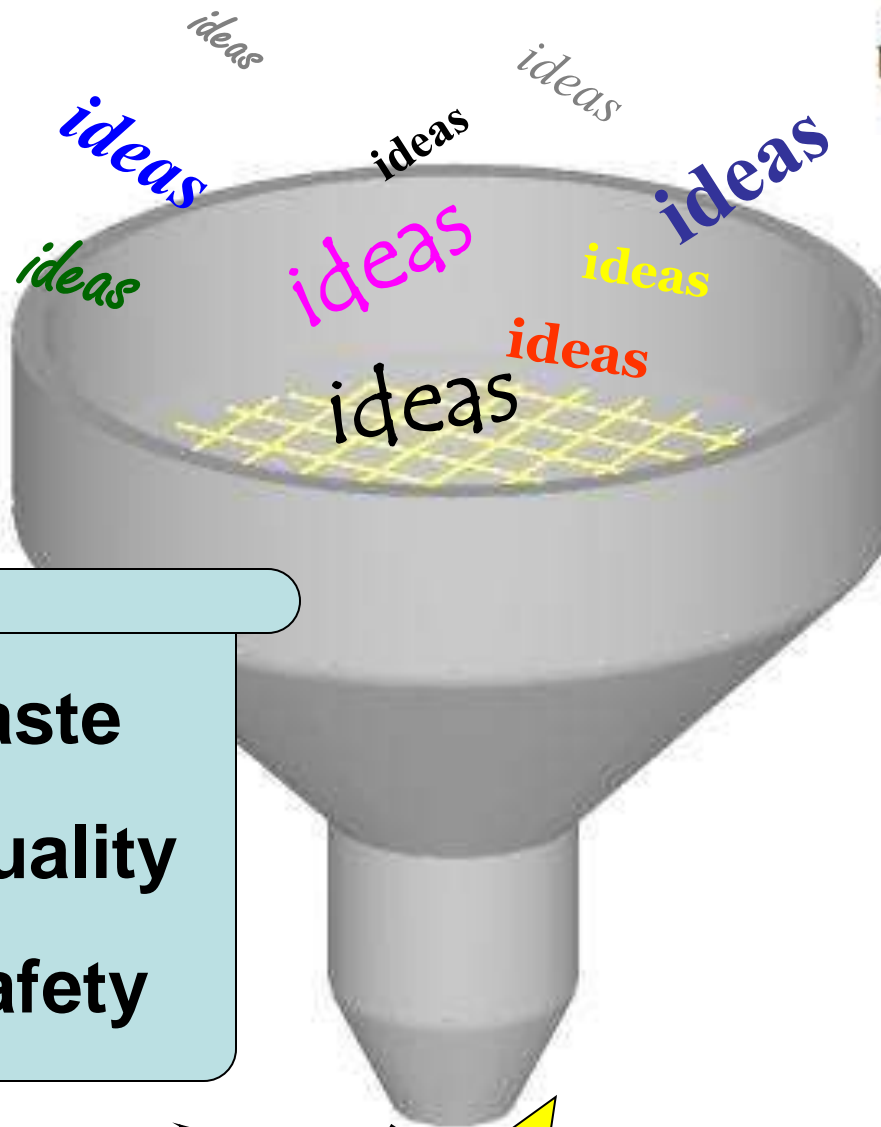
● make a clean, visual and high performance workplace.

# Respect

- Does “Respect” mean being nice and polite?
- In a lean culture “Respect” can look tough
- It means that you see a person’s potential and see yourself as responsible for helping to develop that potential
- If the student hasn’t learned, the teacher hasn't taught

# The three Purposes

- Reduce Waste
- Improve Quality
- Improve Safety



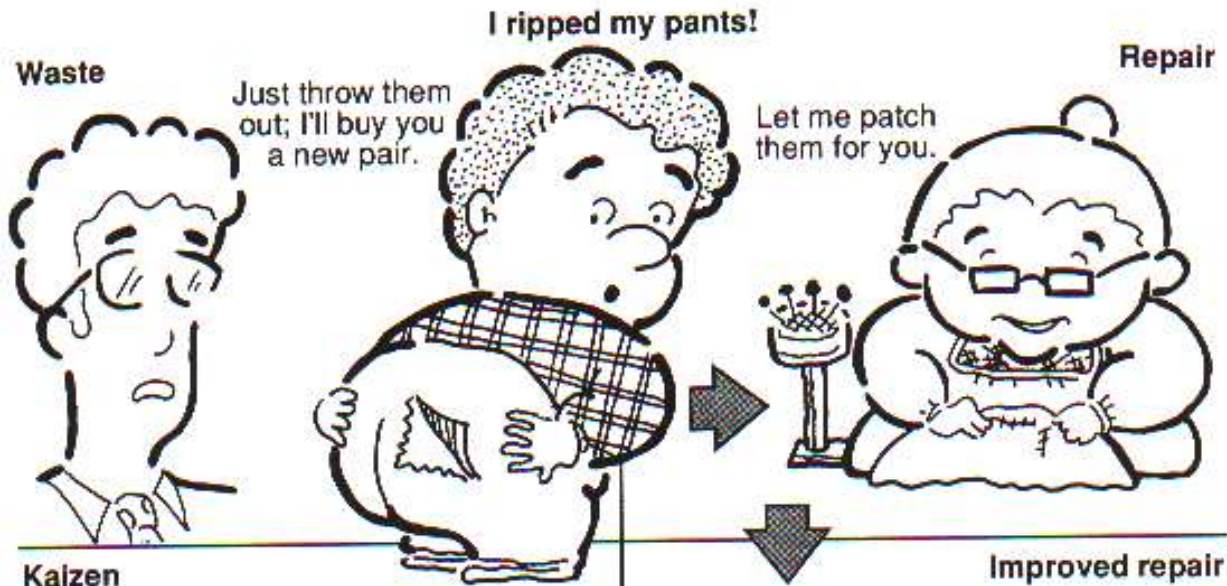
**KAIZEN**

# ROOT-CAUSE

1

## Repair versus Kaizen

2



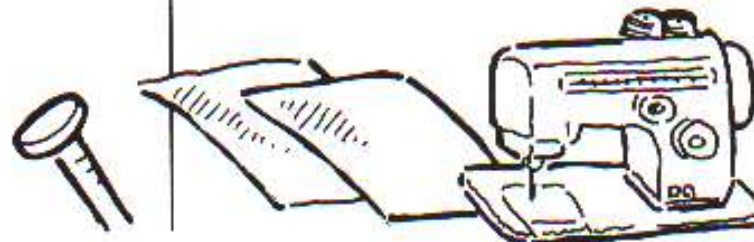
4

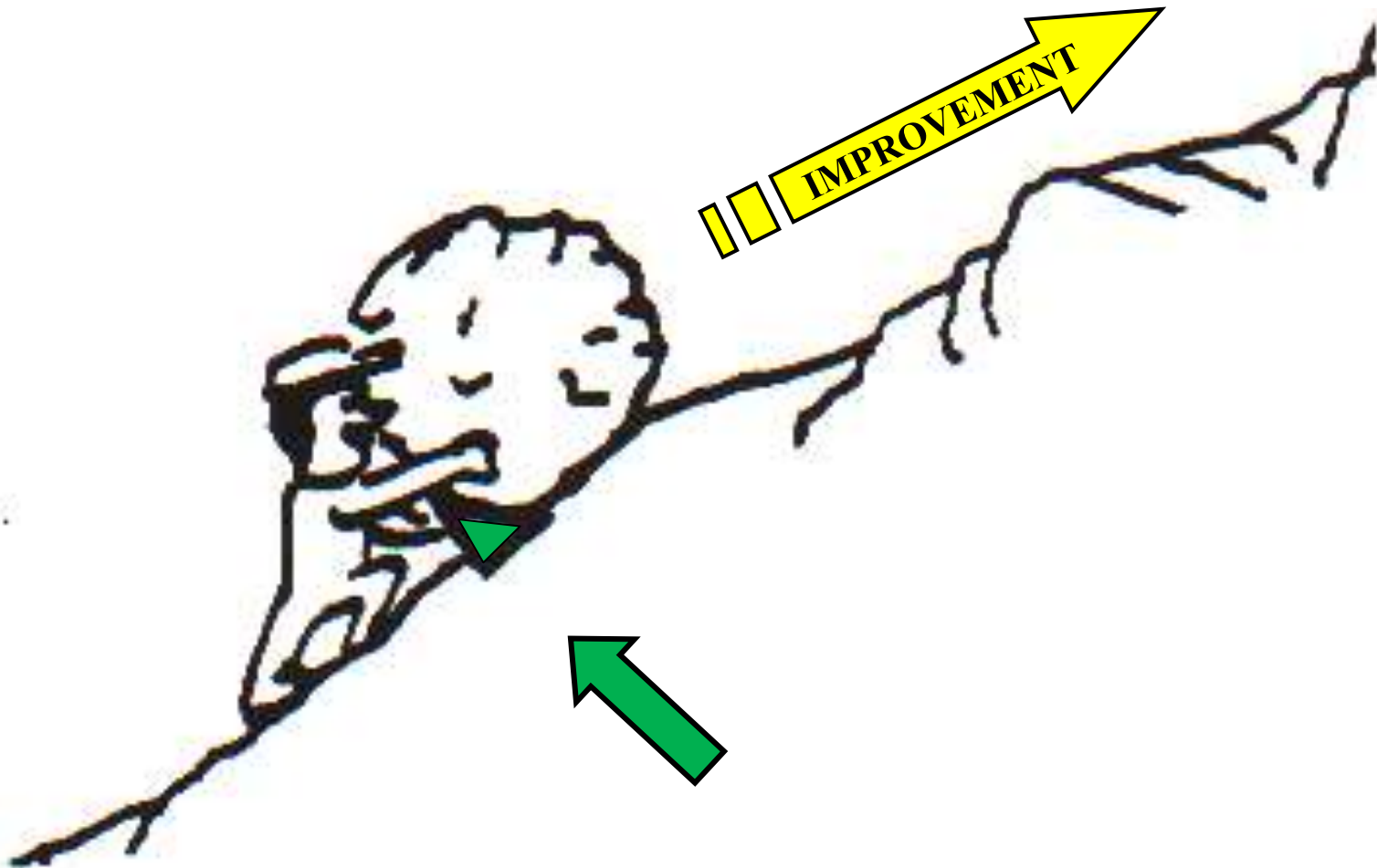
Let's find out why this happened!

- Maybe I should use stronger thread...
- How about if I use double stitches...
- Maybe using a sewing machine will do the trick...

3

They got caught on this nail. If the nail is removed, it won't happen again.

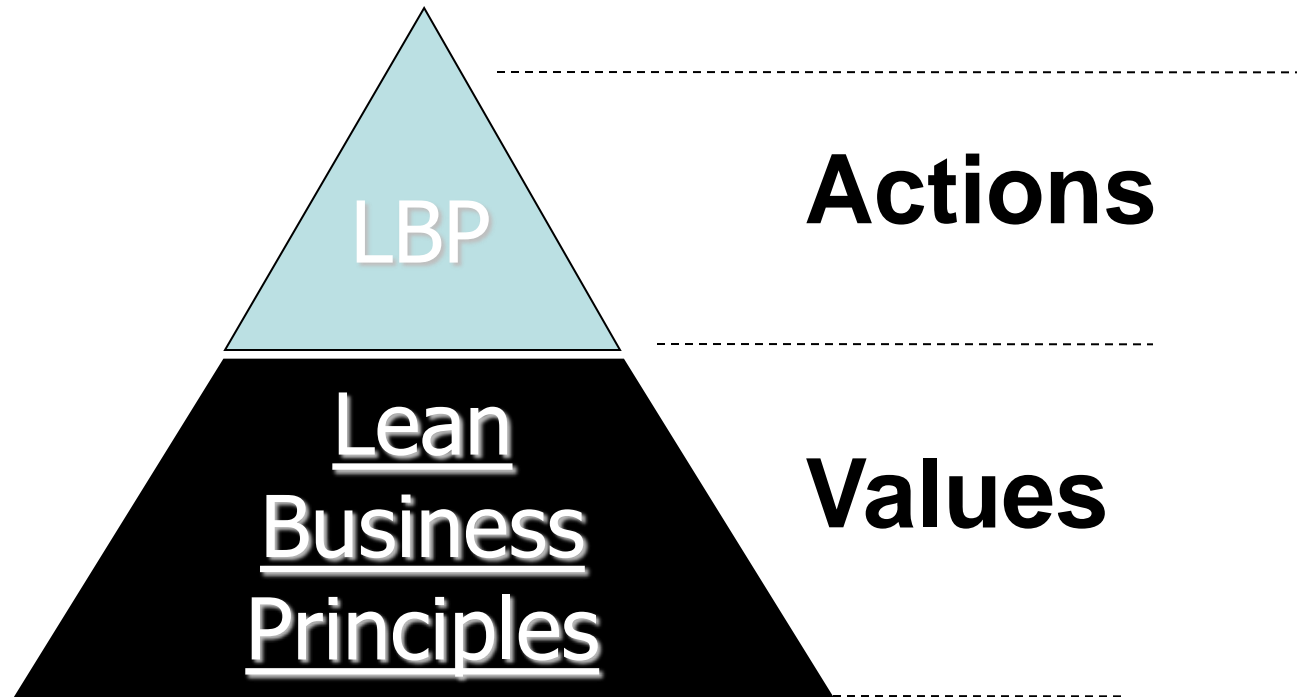




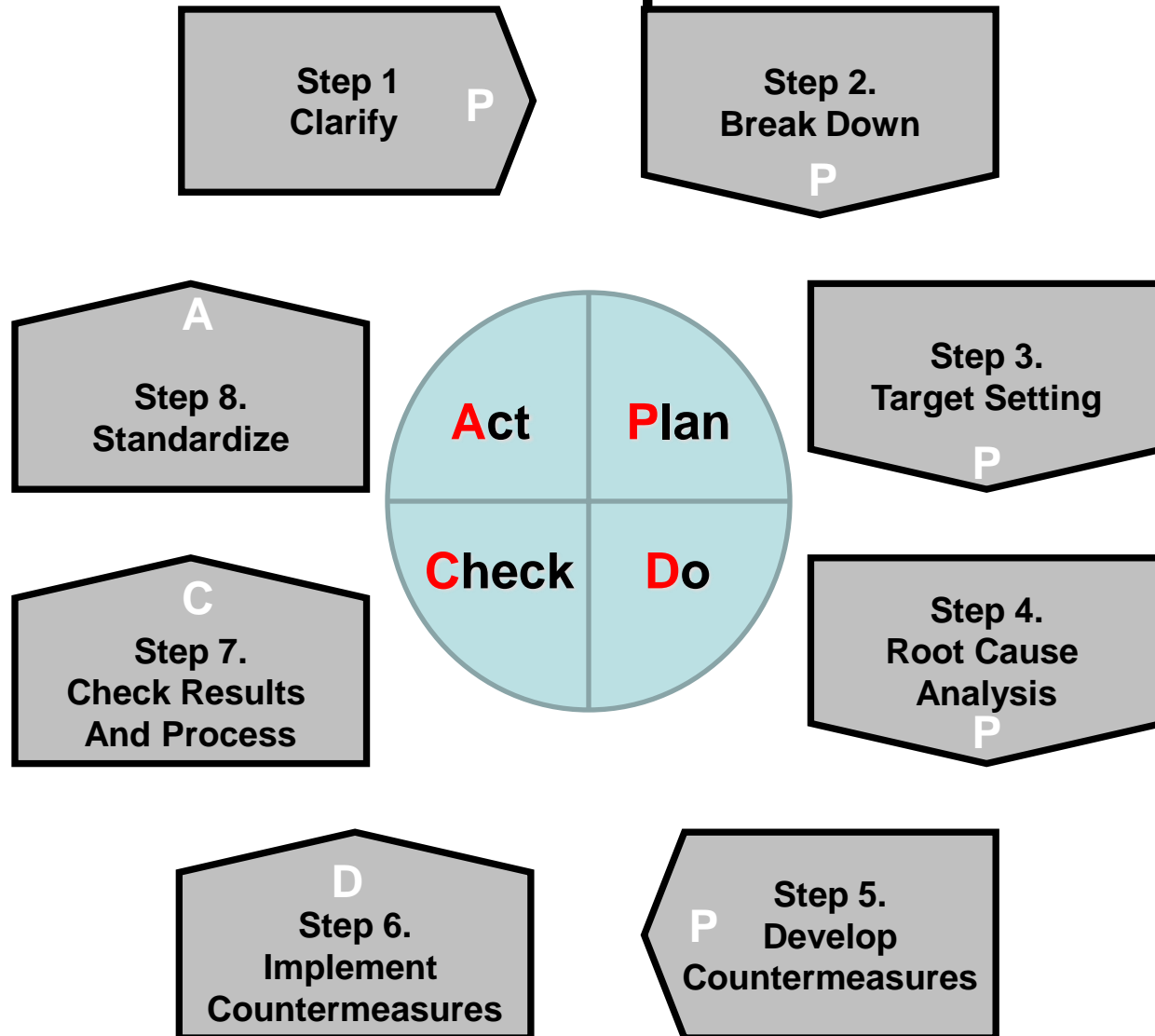


# Lean Business Practice

- Problem Solving is the Lean Business Practice!



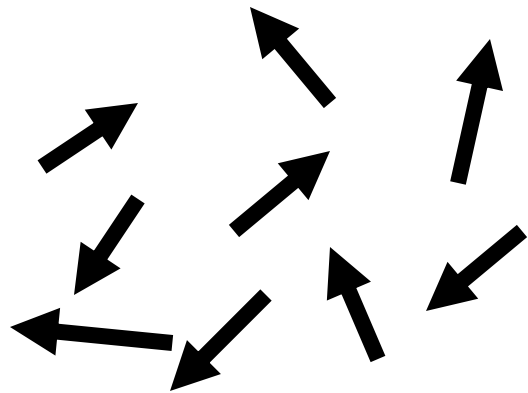
# 8 Steps



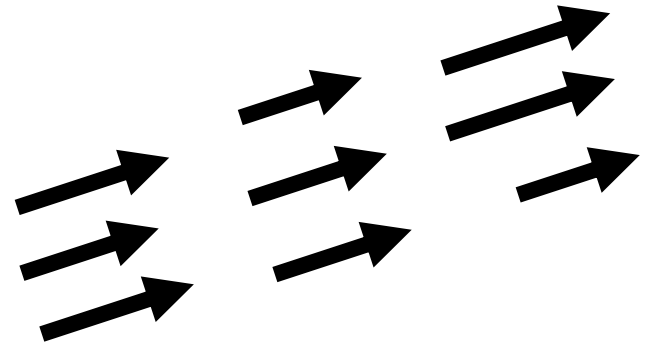
***“Leadership  
must influence  
others”***

# Culture

A uniform way of thinking



**Chaos Culture**



**Lean Culture**

***“Leadership  
must take  
charge”***

***“Leadership  
must develop  
their people”***

***“Leadership  
must know  
priorities”***

***“Leadership  
must be  
committed”***



**Automakers**

Over

150

**Banks**

certified Honsha Academy

**Kaizen Culture**

Our experience, will help you improve operation performance.

17

proven curriculum

Implementation in

20

countries



**Schools**

**honsha™**

™

**Hospitals**

More than

300

companies helped

**Food and Beverage**

**Consulting firms**

Over

60

senior associates

**Humanitarian missions**

**Aeronautics**

**Entertainment**

Over

80,000

people trained

